

DISPATCH

CLASSIFICATION

DISPATCH SYMBOL AND NO.

NSA-53583

Chief of State, Bonn

RE: COM

HEADQUARTERS FILE NO.

301-126-0004

Field File 600

DATE

6 November 1958

RE: 433 - (CHECK "X" ONE)

 MARKED FOR INDEXING NO INDEXING REQUIREDINDEXING CAN BE JUDGED
BY QUALIFIED HQ DESK ONLY

Chief of State, Berlin

Operational/CABINET

LCCASOCK/CANASH Subsidy for Identity 1

New paragraph 5

A. 1000000, 15 October 1958
 B. 1000000, 29 October 1958
 C. 1000000, 30 October 1958
 D. 1000000, 4 November 1958

1. Confirming reference B advise, LCCASOCK-1 informed us on 4 November that CANASH has approved a DM 10,000 subsidy for Identity 1 distribution in the Soviet zone. Attached under separate cover is a copy of the letter of authorization. You will note that the letter was prepared on 15 October but was not received by LCCASOCK until 31 October. Unfortunately, the scope and duration of the subsidy as authorized in this letter are considerably less than that envisaged in LCCASOCK-1's original proposal, as provisionally accepted by Identity 1. LCCASOCK has proposed a continuing monthly subsidy of DM 10,000 for the distribution of 10,000 copies of each issue of Identity 1 to Soviet zone audiences. The CANASH letter merely authorizes a one-time payment of DM 10,000 for the distribution of an unspecified number (but presumably 10,000 copies) of Identity 1 over the three-month period October-December 1958.

2. LCCASOCK-1 is presently awaiting clarifying advice from Identity 2 with respect to the number of copies of Identity 1 desired for distribution by CANASH, the chances of a continuing subsidy after December 1958, and the procedures to be followed by LCCASOCK in fulfilling the conditions attached to the CANASH offer (see the enclosure to the attached letter). It is probable that he will be obliged to fly to Bonn in the coming week to personally negotiate with CANASH on these points.

3. In view of the evidently tentative investment in Identity 1 by CANASH, we are withholding any advice to LCCASOCK-1 pursuant to the suggestion of paragraph 2 of reference B. We would of course be very happy to see CANASH pick up Identity 3 or, for that matter, any of several LCCASOCK publications which have been dropped by us in the past in line with evolving SUCAGE policy. CANASH subsidy of LCCASOCK 'indirect, mass' media, if that is the type media CANASH desires, would nicely complement our own operational emphasis on 'direct, pinpoint' actions within the project. Until the CANASH investment in Identity 1, as a first step, is more firmly grounded, however, we would prefer not to widely push this tactic via LCCASOCK or directly with CANASH.

4. In paragraph 2 of reference C: CANASH copies of Identity 1 will come

APPROVED: _____

Attachments reqd:

A. CANASH Letter of authorization
 B. Identity 1

Distributions:

2-Bonn w/stns
 2-BER w/stns
 2-CAN w/stns

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CONTINUATION OF
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NSA-5305

from current production, as projected in Attachment C of NSA-5305, 15 September 1958. The other assumption expressed in reference C is generally correct. The latest report from LCCANBRO shows that 2,000 copies of Identity 1 were sold in October, an increase of 300 over September's total. Income from sales and Identity 1 ads has been increasing steadily, reaching a total of \$104,575.38 in October. These results are generally in line with the estimates provided in Attachment D of NSA-5305. We have advised LCCANBRO that Identity 1 costs must now be recalculated in the light of this rising income and the new CANADIAN subsidy, so as to keep the total effort expended on Identity 1 communication in line with our NSA-5305 program and to determine the extent to which CANADIAN subsidy funds hitherto expended on Identity 1 can be reduced to reflect more fully LCCANBRO's INCOME capabilities. We would expect that on the basis of this calculation we will be in a position to provide for a significant upward revision in the type and number of specialized media being produced under the current project budget.

5. We will keep addressed advised of any further developments as they occur. In the meantime, we would appreciate any further status information you may have to offer and would specifically welcome your continued liaison support on these developments, to the extent such support may be tactfully feasible against the background of the larger overall suggestion of a joint propaganda center.